

RISK MANAGEMENT POLICY

Mastermyne Group mandates risk management for both strategic and operational risks at all hierarchical levels as a fundamental requirement of its management practice and is a significant aspect of organisational governance. Effective management of risk is an essential contributor to achieving Mastermyne's strategic and operational objectives and goals. The risk management framework is designed to ensure all business units take all reasonable steps in the identification, assessment, monitoring and management of risk, including meeting the following minimal principles and requirements, at all levels of the organisation:

1. Risk management creates and protects value of human and cultural factors in its dealings; as such Mastermyne is committed to promoting a proactive safety culture by developing and maintaining the framework, processes and structures to formally and systematically identify, assess and manage risk. Where appropriate, this will be implemented and performed in accordance with the legislative guidelines and benchmarking standards.
2. Risk management is an integral part of the organisation's processes and is a transparent and inclusive part of decision making and routine management; as such it must be incorporated within strategic and operational planning processes at all levels.
3. Risk management is part of the decision making process therefore risk assessments must be conducted on new ventures and activities, including projects, processes, systems and commercial activities to ensure that these are aligned with Mastermyne's objectives and goals, and that any risks, or subsequent opportunities, have been identified, analysed and reported to the appropriate level of management in accordance with Mastermyne's organisational structure. Where it is determined that any risk identified is not controlled to as low as reasonably practical or acceptable to the organisation, a risk assessment must be completed.
4. Risk management explicitly addresses uncertainty in a systematic structured and timely manner. Mastermyne will maintain a risk register, which will include, among other things, details of the likelihood and potential impacts of the risk, details of the controls and actions as required, and an assignment of who is responsible for monitoring that risk and ensuring that the controls and actions are being adhered to and remain effective.
5. Mastermyne is committed to ensuring that all staff members, particularly those in managerial positions or with decision making authority, are provided with guidance and training on the principles of risk management and their responsibilities under legislation and this policy to implement risk management effectively.
6. Risk management is based on the best available information. Mastermyne will regularly monitor and review the implementation and effectiveness of the risk management program, including the development of an appropriate risk management culture, as a basis for continuous improvement (for risk management process).
7. Risk management is tailored to the organisation's strategic objectives, environment and business activities; therefore this policy will be reviewed on a yearly basis to ensure it is dynamic, interactive and responsive to change to facilitate continual improvement within the organisation.

Roles and Responsibilities

Board (via Audit and Risk Management Committee)

The Board of Directors, via the Audit and Risk Management Committee, oversees the establishment and implementation of the risk management system and annually reviews the effectiveness of the system.

In particular the Audit and Risk Management Committee considers on an ongoing basis whether:

- Adequate risk mitigation strategies have been designed and implemented to manage all material identified risks;
- Management has undertaken regular audits (including Internal Audit, Compliance Audit and External Audit) to assess the effectiveness of internal controls and compliance with prescribed policies; and
- Timely remedial action is undertaken to redress areas of weakness.

Executive and Senior Management Team

Overall responsibility for risk management including:

- Strategic risk;
- Project, business and operational risks;
- Site compliance to Risk Management requirements;
- Implementing initiatives to continually strengthen risk management framework and risk culture by ensuring there are robust processes in place to identify, communicate and manage material risks across the organisation;
- Coordination of the biannual risk matrix exercise undertaken by line managers;
- Updating and regularly reporting the Material Risk Register to the Executive team and the Board Audit and Risk Management Committee; and
- Promoting risk management awareness via education to management and staff as required.

Line Managers

- Identifying, communicating and managing risks in their area of operations;
- Preparing risk analysis reports on risks concerning their area of operations (biannual);
- Coaching and mentoring workers in their areas of responsibility in regard to Risk Management; and
- Ensuring Risk Management processes are followed and risk controlled to ALARP.

Workers

- Completing personal and team risk assessments for all tasks, ensuring risk is reduced to ALARP;
- Reporting to line managers any and all areas of unacceptable risk; and
- Following all lawful instructions in relation to safety.



Tony Caruso
Managing Director